

SENATE BILL 2193

By Lundberg

AN ACT to amend Tennessee Code Annotated, Title 49,
Chapter 3, Part 4, relative to the "Volunteer Public
Education Trust Fund Act."

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 49-3-403(b)(2), is amended by deleting the subdivision.

SECTION 2. Tennessee Code Annotated, Section 49-3-403(d), is amended by adding the language "the administration and" after the word "for" and before the word "investment".

SECTION 3. Tennessee Code Annotated, Section 49-3-404, is amended by adding the following new, appropriately designated subsection:

() The commissioner of education and state treasurer are authorized to expend income from the fund in accordance with this part.

SECTION 4. Tennessee Code Annotated, Section 49-3-404(a), is amended by deleting the subsection and substituting instead the following:

(a) The commissioner of education and the state treasurer shall establish operational guidelines for the expenditure of the income from the special trust fund for education. The operational guidelines shall include, but not be limited to, special projects or programs that would not otherwise be funded that are deemed by the commissioner of education and the state treasurer to improve the overall quality of the total educational program and provisions for participation in the programs funded by the trust fund by all LEAs participating in the basic education program.

SECTION 5. Tennessee Code Annotated, Sections 49-3-404(b) and (c), are amended by deleting the language "state board of education" and substituting instead the language "commissioner of education and the state treasurer".

SECTION 6. Tennessee Code Annotated, Section 49-3-404(d), is amended by deleting the subsection and substituting instead the following:

(d) The commissioner of education and the state treasurer shall develop a written plan to implement this part.

SECTION 7. Tennessee Code Annotated, Section 49-3-404, is amended by deleting subsection (e) and redesignating the remaining subsection accordingly.

SECTION 8. Tennessee Code Annotated, Section 49-3-405, is amended by deleting the section and substituting instead the following:

The state treasurer shall add all voluntary contributions, constituting principal, to the special trust fund for education. Income accruing on voluntary contributions shall be deposited in the special trust fund by the state treasurer until the minimum trust fund amount is met. For the purposes of this part, the "minimum trust fund amount" is the threshold amount of principal that must be accumulated in the trust until income may be disbursed. For the purposes of this part, "income" means the income from the fund's investment portfolio from whatever source derived, including, but not limited to, interest, dividends, and realized capital gains and losses. Once the minimum trust fund amount is met, the commissioner of education and the state treasurer may allow the income on the minimum trust fund amount to be available for disbursement from the fund pursuant to the plan required by § 49-3-404. The commissioner of education and the state treasurer shall establish a minimum trust fund amount pursuant to the plan required by § 49-3-404. The state treasurer is authorized to establish separate accounting for the fund's principal and income.

SECTION 9. Tennessee Code Annotated, Section 49-3-406, is amended by deleting the section and substituting instead the following:

The commissioner of education, in consultation with the state treasurer, is authorized to promulgate rules and regulations necessary to perform their responsibilities under this part.

SECTION 10. Tennessee Code Annotated, Section 49-3-408(a), is amended by deleting the subsection and substituting instead the following:

(a) The commissioner of education and the state treasurer are authorized to create a nonprofit corporation in accordance with the laws of this state and applicable federal law.

SECTION 11. This act shall take effect upon becoming a law, the public welfare requiring it.